

EXHIBIT 1
TO HARTGE DECLARATION ISO
LG ELECTRONICS, INC.'S
PARTIAL MSJ ON WITHDRAWAL
GROUNDS

NewsRoom

11/28/00 N.Y. Times W1
2000 WLNR 3211365

New York Times (NY)

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November 28, 2000

Section: W

LG of Korea and Philips Set Screen-Making Venture

SUZANNE KAPNER

Royal Philips Electronics and LG Electronics form joint venture that would be world's largest maker of television and computer screens; new alliance follows deal struck in September 1999, when LG Electronics sold half its flat-display screen division to Philips; LG-Philips LCD is now world's second-largest maker of thin-film, liquid-crystal displays used for flat screens on laptop computers (M)

LONDON, Nov. 27

Royal Philips Electronics of the Netherlands and LG Electronics of South Korea said today that they would form a joint venture that would be the world's largest maker of television and computer screens. The companies also said that they were discussing a merger of mobile phone operations.

The string of new and potential alliances follows a deal struck in September 1999, when LG Electronics sold half of its flat-display screen division to Philips for \$1.6 billion. LG-Philips LCD is now the world's second-largest maker of thin-film, liquid-crystal displays used for flat screens on laptop computers.

Philips and LG will each own half of the joint venture, which will combine the companies' cathode ray tube units. The new company, which has not been named, will have headquarters in Hong Kong and be run by Philippe Combes, chief executive of Philips display components division.

With \$6 billion in annual sales, the new venture will hold 25 percent of the market for color picture tubes used in television screens and computer monitors, overtaking the market leader, the Samsung SDI Company, a subsidiary of Samsung Group. Samsung SDI has 15 percent of the global market, Mr. Geerts said.

Peter Knox, an analyst with Commerzbank Securities, called the combination a "neat fit," since it brings together Philips's leading position in large television screens with LG's strength in computer monitors. The two businesses mesh geographically as well. Philips dominates Europe and the Americas, while LG is one of the strongest players in Asia.

For Philips, the combination is expected to increase profitability. LG's margins for the business were 15 percent in 1999, or roughly three times those of Philips, Mr. Knox estimates.

LG of Korea and Philips Set Screen-Making Venture, 2000 WLNR 3211365

LG, meanwhile, will get \$1.1 billion from the new venture to reflect the difference in value between the LG and the Philips businesses. And Philips said it was considering buying as much as \$500 million worth of LG preferred shares. LG will use the money to reduce debt -- which has soared after its merger in June with LG Information and Communications, a telecommunications-equipment maker -- and to finance the purchase of a third-generation mobile phone license in Korea.

Shares of Philips rose 1.19 euros, or 2.9 percent, to 42.89 euros (\$36). LG fell 200 won, or 1.4 percent, to 13,800 (\$11.63).

--- Index References ---

Company: LG PHILLIPS LCD (KOREA); SAMSUNG CORP; LG ELECTRONICS LTD; KONINKLIJKE PHILIPS ELECTRONICS NV

News Subject: (Joint Ventures (1JO05); Major Corporations (1MA93); Corporate Groups & Ownership (1XO09))

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Region: (Europe (1EU83); Western Europe (1WE41))

Language: EN

Other Indexing: (AMERICAS; COMMERZBANK SECURITIES; LCD; LG PHILIPS LCD; PHILIPS; ROYAL PHILIPS ELECTRONICS; SAMSUNG; SAMSUNG GROUP) (Geerts; Knox; LG; LG Electronics; LG Information; Peter Knox; Philippe Combes)

Company Terms: ROYAL PHILIPS ELECTRONICS; LG ELECTRONICS

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2 of 3 DOCUMENTS

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THE WALL STREET JOURNAL.

U.S. EDITION

The Wall Street Journal

November 28, 2000 Tuesday

SECTION: INTERNATIONAL; Pg. A21

LENGTH: 503 words

HEADLINE: Philips Electronics, Korea's LG Expand Tie-Ups --- Cathode-Ray Tube Venture, Talks on Mobile Phones Follow Big Screens Deal

BYLINE: By James M. Dorsey, Special to The Wall Street Journal

BODY:

AMSTERDAM -- Dutch electronics giant Philips Electronics NV is exploring ways to cooperate with South Korea's LG Electronics Co. to produce mobile telephones, in a bid to increase its market share and cut development costs for so-called third-generation handsets.

Philips Executive Vice President and Chief Operating Officer Gerard Kleisterlee disclosed the talks at a news conference yesterday in which he announced that Philips and LG had signed a letter of intent to merge their cathode-ray tube businesses in a 50-50 joint venture that would be the world's largest producer. Philips invested \$1.6 billion in LG's liquid-crystal display unit last year to create a joint venture called LG Philips LCD Co.

Mr. Kleisterlee said it is logical that the two companies explore cooperation in mobile telephones, given their alliances in other areas. He said the two are talking about various forms of cooperation "but there is not now and here any concrete statement to make." Philips spokesman Ben Geerts said Philips is not talking with any other company about cooperating on mobile phones.

Senior Philips executives have said in recent months that the only way the company may succeed in gaining badly needed market share would be to forge alliances or make acquisitions. Arie Baan, chief executive officer of Philips's

Philips Electronics, Korea's LG Expand Tie-Ups --- Cathode-Ray Tube Venture, Talks on Mobile Phones Follow Big Screens Deal The Wall Street Journal November 28, 2000 Tuesday

consumer-electronics division, said this summer that Philips hoped to acquire the expertise it needs by aligning itself with an Asian producer.

Philips has a 6% world-market share in GSM-based handsets -- those that use the Global System for Mobile Communications standard. LG produces 10% of the world's CDMA-based handsets -- those that use the competing Code Division Multiple Access standard. LG has a significant market share in both South Korea and the U.S. Short of components, Philips recently lowered its production target for this year to 15 million handsets from 18 million.

Analysts say Philips and LG would benefit from cooperation given that the GSM and CDMA standards are likely to merge in third-generation standard called Wideband Code Division Multiple Access, which will be used in China's huge market, among others. "It makes sense for Philips to look for a partner in 3G that already has CDMA technology," says Marek Kennis, an analyst with Dutch investment bank F. Van Lanschot Bankiers NV.

"Philips is getting nowhere with its GSM activity, and has too little knowledge of wideband CDMA," says Bert Siebrand, an analyst with SNS Securities NV. "Cooperation with LG would be an improvement for Philips."

Philips said it is likely to establish its cathode-tube joint venture with LG in the second quarter of next year. The venture is expected to pay LG Electronics \$1.1 billion by the end of that quarter to compensate for the difference in value between the two cathode-tube businesses. Philips Chief Financial Officer Jan Hommen said the company is considering buying redeemable preferred stock to be issued by LG Electronics, but that the two companies are still negotiating the terms.

NOTES:

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LOAD-DATE: December 5, 2004

EXHIBIT 3
TO HARTGE DECLARATION ISO
LG ELECTRONICS, INC.'S
PARTIAL MSJ ON WITHDRAWAL
GROUND

LG, Philips to Establish CRT Joint venture

NewsRoom

11/28/00 Xinhua Eng. Newswire 00:00:00

XINHUA NEWS AGENCY

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November 28, 2000

LG, Philips to Establish CRT Joint venture

SEOUL (Nov. 28) XINHUA - LG Electronics Co. and Royal Philips Electronics have agreed to set up a 50:50 cathode ray tube (CRT) joint venture in the first half of next year. Through the deal, the South Korean company Tuesday said it will be able to secure a total of 1.6 billion U.S. dollars, which will be used to reduce its debts and invested in new strategic businesses.

Philips will pay 1.1 billion dollars for a 50 percent stake in the joint venture to close the difference in valuation of their respective operations.

The alliance will create the world's largest producer of CRTs for TV and computer monitors, outstripping Samsung SDI, which provides 23 percent of global demand, said LG.

Philips is the second largest provider with a share of 13 percent and LG ranks third with 11 percent.

The new economic entity is expected to set up headquarters in Hong Kong and four local operations for manufacturing and marketing in the United States, Europe, the Chinese mainland and the rest of Asia.

Now LGE operates four overseas CRT plants while Philips has 10 plants around the world.

Last year, the two companies formed an LCD joint venture --LG. Philips LCD.

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--- Index References ---

Company: LG ELECTRONICS LTD; KONINKLIJKE PHILIPS ELECTRONICS NV

News Subject: (Joint Ventures (1JO05); Major Corporations (1MA93); Corporate Groups & Ownership (1XO09))

Industry: (Consumer Electronics (1CO61); Electronics (1EL16); Manufacturing (1MA74))

Region: (South Korea (1SO65); USA (1US73); Americas (1AM92); North America (1NO39); Asia (1AS61); Eastern Asia (1EA61))

Language: EN

LG, Philips to Establish CRT Joint venture

Other Indexing: (CRT; LG; LG ELECTRONICS CO; LGE; ROYAL PHILIPS ELECTRONICS; SDI)

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EXHIBIT 4
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LG Elec says Philips deal almost done.

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11/27/00 Reuters News 00:57:58

Reuters

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November 27, 2000

LG Elec says Philips deal almost done.

SEOUL, Nov 27 (Reuters) - LG Electronics , a South Korean home appliance maker, said on Monday the final touches were being put on a deal with Philips Electronics NV of Netherlands.

"Negotiations are still going on, but the talks are in the final stage," an LG spokesman said. He declined to elaborate.

A spokesman from Philips Electronics Korea said the company might make an announcement on Monday, but he would not confirm the announcement would involve LG.

The Maeil Business Newspaper reported on Monday that LG Electronics would set up a joint venture with Philips for cathode ray tube (CRT) business.

Philips would invest \$1.6 billion to take most of shares of the joint venture, which would start with LG's CRT business, it said.

Philips would pay \$400 million to LG within this year, which would be used for improving its financial status, and invest the rest in the first half of next year, when the joint venture would officially inaugurate, the newspaper said.

LG and Philips would manage the joint venture together, it said.

LG Electronics shares were down 50 won (\$0.421) to 13,950 at 0055 GMT.

LG Electronics set up a TFT-LCD joint venture with Philips last year.

(\$=1187.0 won).

— Index References —

Company: PHILIPS ELECTRONICS (UK) LTD; LIMITED LIABILITY COMPANY "PHILIPS"; PHILIPS ELECTRONICS CHINA BV; KONINKLIJKE PHILIPS ELECTRONICS NV; LG ELECTRONICS; PHILIPS ELECTRONICS TECHNOLOGY SHANGHAI HOLDING BV; LG CORP; PHILIPS MEDICAL REFURBISHED SYSTEMS BV; PHILIPS ELECTRONICS SINGAPORE PTE LTD; LG ELECTRONICS LTD; PHILIPS AB; PHILIPS ELECTRONICS INDIA LTD; PHILIPS ELECTRONICS REALTY CORP; PHILIPS AG; PHILIPS ELECTRONICS (ISRAEL) LTD; PHILIPS ELECTRONICS IRELAND LTD; PHILIPS ELECTRONICS REPRESENTATIVE OFFICES BV; PHILIPS ELECTRONICS MIDDLE EAST AND AFRICA BV; LEAGUE ALLOY CO LTD; PHILIPS SPA (PHILIPS ELECTRONIC NV); PHILIPS ELECTRONICS LTD; PHILIPS ELECTRONICS KOREA LTD; LIBERTAS CAPITAL (DUBAI) LTD; LCD;

LG Elec says Philips deal almost done.

KONINKLIJKE PHILIPS; PHILIPS DANMARK AS; LAFARGE SA ADR; GUANGXI LIUGONG MACHINERY CO LTD;
PHILIPS ELECTRONICS AUSTRALIA LTD; PHILIPS ELECTRONICS JAPAN LTD; PHILIPS ROMANIA SRL

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Industry: (Electronics (1EL16); Consumer Electronics (1CO61); Consumer Products & Services (1CO62))

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EXHIBIT 5
TO HARTGE DECLARATION ISO
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LG Electronics Says Philips Tie Cures Ills

Nov 28, 2000

JoongAng Ilbo spoke Tuesday with the vice chairman and CEO of LG Electronics, John Koo. LG signed an agreement Monday with Royal Philips Electronics to merge their cathode ray tube businesses into a new company.

JAI: LG Electronics has entered into another partnership with Philips in addition to the currently operating joint venture that makes liquid crystal displays. Why did you select Philips again as your partner?

Koo: We have trust in Philips, since the first partnership has posted satisfactory revenues. We foresee that this new joint venture, for cathode ray tubes, will become a leader in the global market.

JAI: Do you have anything to say about your relationship with Philips a year after establishing the liquid crystal display partnership?

Koo: I realized that it was impossible to take the world's top position without a partnership with another company in these times of unlimited competition.

JAI: Some industry watchers expect that LG's display unit business will be shrunk by the spin-off of its cathode ray tube business.

Koo: We do not expect any big problems, as cathode ray tubes are components of monitors. The new company will develop technologies and new products which the parents will use in their TVs and monitors. The joint venture will provide more value for the parent companies.

JAI: Nomura Securities pointed out that LG's attraction of foreign capital resulting from the partnership is not enough to settle its short-term liquidity problems.

Koo: We will receive a \$1.1 billion payment from the new company during the first half of 2001. We will issue redeemable preferred shares to lower our debt ratio to below 200 percent by the end of this year. If Philips purchases \$500 million worth of the issues, our liquidity problems will be completely solved. We have already secured sufficient capital for investment in digital and telecommunication equipment projects.

JAI: Despite the attraction of foreign capital, LG Electronics' shares have been on a downward course recently.

Koo: If investors would look at our additional efforts to lower the company's debt ratio, they would change their attitudes. We will soon sell off our stakes in non-electronics affiliates. I would ask investors to consider our company's future value.

JAI: Some market observers are pessimistic about the new partnership. They say that LG electronics will remain as a simple manufacturer of refrigerators and washing machines because you have shed your major high-tech business segments.

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- 보컬수습생 마스트비노기과 김재형은?
- "2개 이상 밀몰라드 해야한다면?"
- 서민 대출지원 최대 5000만원? 가능
- 고추 만지는 내이미...알아보니? "뽕강해"
- 연세인도 밝은 '유지근'은? 대체 뭐할래?
- 김도민비비미연애 실패는 이유? 이것들리서..
- 진X정 부부 10년 화해할 땐 왜비결?
- 커피따의 제 2의 신화 '이것' 알고보니..

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Market Data

2015. 10.28 (수) 14:30

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Exchange Rate 1,049.30

▼ 6.01
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Bilingual Column

영어 X

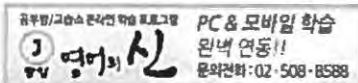
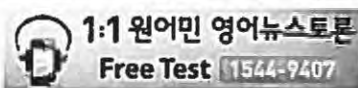
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11/28/14

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INSIDE K-Wave

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K-pop trio JYJ successfully finished their Asia tour last month.



Park Hae-jin makes donation

Korean actor Park Hae-jin donated 100 million won (\$94,047).



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- 8 United States a 'logical ally' for Korea,

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EXHIBIT 6
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ORIGINAL

Page 1

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

IN RE: CATHODE RAY TUBE
(CRT) ANTITRUST LITIGATION

No. 307-5944 SC
MDL No. 1917

This Document Relates to:

ALL ACTIONS

HIGHLY CONFIDENTIAL

SUPERIOR COURT OF THE STATE OF CALIFORNIA

CITY AND COUNTY OF SAN FRANCISCO

STATE OF CALIFORNIA, et al.,

Plaintiffs,

v.

SAMSUNG SDI, INC., CO.,
LTD., et al.

Defendants.

No. CGC-11-51584
[Related to
CGC-11-515786]

VIDEOTAPED DEPOSITION OF DUK CHUL RYU
San Francisco, California
Wednesday, January 15, 2014
Volume I

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SUZANNE F. BOSCHETTI
CSR No. 5111

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Page 22

1 Q Mr. Ryu, you started working at LG in April 09:32:52

2 of 1994; is that correct? 09:32:56

3 A No. 09:33:05

4 Q When did you start working for LG? 09:33:08

5 A It was from December of 1993. 09:33:16

6 Q And was it called Lucky -- was LG called 09:33:24

7 Lucky Goldstar at that time? 09:33:27

8 A It was Goldstar. 09:33:39

9 Q And it changed to LG Electronics sometime 09:33:40
10 in 1995; is that correct? 09:33:45

11 A That I'm not too sure. 09:33:56

12 Q What was your title when you first joined 09:33:58

13 LG or Goldstar? 09:34:01

14 A I was an associate. 09:34:09

15 Q And what group were you in at that time? 09:34:13

16 THE INTERPRETER: Clarification. 09:34:34

17 THE WITNESS: I belonged to the Planning 09:34:40

18 and Management Department in CRT Business Division 09:34:46

19 located in Gumi. 09:34:52

20 THE INTERPRETER: G-u-m-i. 09:34:54

21 BY MS. WHITEHEAD: 09:35:01

22 Q So you had responsibilities related to 09:35:02

23 cathode ray tubes at that time; is that correct? 09:35:04

24 A Yes. 09:35:17

25 Q And cathode ray tubes are also called CRTs, 09:35:17

HIGHLY CONFIDENTIAL

		Page 23
1	right?	09:35:21
2	A Yes, that's correct.	09:35:26
3	Q And you understand that a color display	09:35:27
4	tube is a type of CRT; is that right?	09:35:29
5	A It is a CRT for monitors.	09:35:44
6	Q For computer monitors?	09:35:47
7	A Correct.	09:35:51
8	Q And it's also referred to as a CDT?	09:35:52
9	A Yes, that's correct.	09:35:59
10	Q Were there any other uses for CDTs besides	09:36:01
11	computer monitors?	09:36:05
12	A To my understanding, it is also used for	09:36:19
13	medical equipment.	09:36:22
14	Q And that would be for the displays for	09:36:26
15	medical equipment; is that right?	09:36:29
16	A That's correct.	09:36:33
17	Q Do you understand that a color picture tube	09:36:36
18	is also a type of CRT?	09:36:38
19	A Yes.	09:36:46
20	Q It's also referred to as a CPT?	09:36:47
21	A Yes, that's correct.	09:36:54
22	Q And CPTs were used in televisions, correct?	09:36:54
23	A Yes, that's correct.	09:37:01
24	Q Were there any other uses for CPTs besides	09:37:02
25	televisions?	09:37:05

HIGHLY CONFIDENTIAL

		Page 24
1	A I don't believe I heard of any other uses.	09:37:15
2	Q How long were you an associate in the	09:37:23
3	Planning and Management Group at Gumi when you	09:37:26
4	started in '93?	09:37:30
5	A I think I was an associate for four to five	09:37:49
6	years.	09:37:53
7	Q What were your job responsibilities as an	09:37:58
8	associate in the Planning and Management Group at	09:38:02
9	the Gumi factory?	09:38:05
10	A I analyzed costs for the CRTs that were	09:38:23
11	manufactured by Goldstar.	09:38:28
12	Q What types of costs did you analyze?	09:38:38
13	A The such costs as the material cost, the	09:39:06
14	labor cost, other expenses, sales management cost	09:39:10
15	and general management costs were managed.	09:39:15
16	Q Did you issue any reports about the costs	09:39:26
17	for CRTs during that time?	09:39:30
18	A Yes.	09:39:44
19	Q What types of reports did you issue?	09:39:44
20	A I reported the analysis result of the costs	09:40:03
21	by sizes of CDTs and CPTs.	09:40:09
22	Q How frequently did you issue these reports?	09:40:20
23	A I issued reports quarterly.	09:40:37
24	Q And who did you issue the reports to?	09:40:41
25	A I made a report to the team leader.	09:40:52

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1 I, the undersigned, a Certified Shorthand
2 Reporter of the State of California, do hereby
3 certify:

4 That the foregoing proceedings were taken
5 before me at the time and place herein set forth;
6 that any witnesses in the foregoing proceedings,
7 prior to testifying, were duly sworn; that a record
8 of the proceedings was made by me using machine
9 shorthand which was thereafter transcribed under my
10 direction; that the foregoing transcript is a true
11 record of the testimony given.

12 I further, certify I am neither financially
13 interested in the action nor a relative or employee
14 of any attorney or party to this action.

15 IN WITNESS WHEREOF, I have this date
16 subscribed my name.

17 Dated: January 24, 2014
18
19
20

21 
22 SUZANNE F. BOSCHETTI

23 CSR No. 5111
24
25

Attached to the deposition of DUK CHUL RYU, Volume I (January 15, 2014)

ERRATA SHEET

<i>Page</i>	<i>Line</i>	<i>Change</i>
22	14	Change "receive" to "received"
24	13	Delete "the" before "such"
25	4	Change "where" to "were"
27	14	Delete "in"
27	15	Change "lines" to "line"
33	9	Change "teams" to "team"
34	19	Change "sizes" to "size"
43	17	Change "a" to "the"
43	19	Change "at that" to "on the"
43	20	Change "sizes were" to "size was"
44	3	Change "have" to "had"
44	8	Change "demand" to "demands"
44	20	Change "in" to "on"
60	18	Change "was" to "were"
68	3	Change "Export" to "Domestic"
68	8	Change "Export" to "Domestic"
68	14	Change "Export" to "Domestic"
80	18	Change "Teco" to "Beko"
86	8	Change "Teco" to "Beko"
98	4	Change "was" to "were"
101	16	Change "was" to "were"
103	18	Change "cost" to "cause"
110	19	Change "inventory" to "demand"
128	17	<i>Should be:</i> "There were people who worked in..."
140	12	Change "how many" to "what"

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1
2
3
4
5
6
7
8 I, DUK CHUL RYU, do hereby declare under
9 penalty of perjury that I have read the foregoing
10 transcript of my deposition; that I have made such
11 corrections as noted herein, in ink, initialed by
12 me, or attached hereto; that my testimony as
13 contained herein, as corrected, is true and correct.

14 EXECUTED this 21 day of February,
15 2014, at Seoul, South Korea.
16 (City) (State)

17
18 
DUK CHUL RYU

19 Volume I
20
21
22
23
24
25

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EXHIBIT 7 TO CATHLEEN H. HARTGE DECLARATION
IN SUPPORT OF DEFENDANT LG ELECTRONIC, INC'S
NOTICE OF MOTION AND MOTION FOR PARTIAL
SUMMARY JUDGMENT ON WITHDRAWAL GROUNDS

EXHIBIT 7
TO HARTGE DECLARATION ISO
LG ELECTRONICS, INC.'S
PARTIAL MSJ ON WITHDRAWAL
GROUNDS

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ORIGINAL

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

IN RE: CATHODE RAY TUBE
(CRT) ANTITRUST LITIGATION

No. 307-5944 SC
MDL No. 1917

This Document Relates to:

ALL ACTIONS

HIGHLY CONFIDENTIAL

SUPERIOR COURT OF THE STATE OF CALIFORNIA

CITY AND COUNTY OF SAN FRANCISCO

STATE OF CALIFORNIA, et al.,

Plaintiffs,

v.

SAMSUNG SDI, INC., CO.,
LTD., et al.

Defendants.

No. CGC-11-51584
[Related to
CGC-11-515786]

VIDEOTAPED DEPOSITION OF DUK CHUL RYU

San Francisco, California

Thursday, January 16, 2014

Volume II

Reported by:

SUZANNE F. BOSCHETTI

CSR No. 5111

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1	J-e-o-n-g, phonetically by the interpreter.	01:25:59
2	BY MS. WHITEHEAD:	01:26:06
3	Q And when Mr. Jeong became your supervisor	01:26:07
4	in 2005 or 2006, did he remain your supervisor until	01:26:11
5	you stopped having responsibilities for CRT	01:26:16
6	procurement?	01:26:19
7	A Yes, that's correct.	01:26:38
8	MR. TEMKO: Excuse me.	01:26:51
9	MS. WHITEHEAD: Bless you.	01:26:51
10	BY MS. WHITEHEAD:	01:26:53
11	Q During your time in CRT procurement for	01:26:53
12	LGE, for which companies did LGE buy CDTs?	01:26:55
13	A I believe they were LPD, SDI, CPT and	01:27:13
14	Mitsubishi. But I'm not too sure about other	01:27:39
15	companies.	01:27:43
16	Q And by CPT, do you mean Chunghwa Picture	01:27:45
17	Tubes?	01:27:51
18	A That's correct.	01:27:51
19	Q During your time in CRT procurement for	01:27:53
20	LGE, from which companies did LGE buy CPTs?	01:27:57
21	A There were too many companies, so if	01:28:30
22	necessary, should I tell you the names of the	01:28:32
23	company by region?	01:28:37
24	Q Let's just start with the full list, if you	01:28:42
25	could just tell me all of the suppliers you recall.	01:28:45

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1	A	LPD, SDI, CPT, Orion, Thai-CRT, Samtel,	01:28:56
2		Irico, and then there was a Chinese local company	01:29:23
3		whose name I don't remember right now.	01:29:37

4 Q And what were the LGE regions during the 01:29:44

5 time you were in CRT procurement? 01:29:48

6 MR. TEMKO: Object. Vague and ambiguous. 01:30:05

7 THE WITNESS: Are you talking about the 01:30:14

8 regions where LG Electronics produced TVs and 01:30:15

9 monitors? 01:30:20

10 BY MS. WHITEHEAD: 01:30:22

11 Q Well, in your prior answer you asked if you 01:30:22

12 should tell me the names of the company by region. 01:30:27

13 What were you referring to when you said "by 01:30:31

14 region"? 01:30:35

15 A In general, there were regions we would 01:31:20

16 divide. 01:31:35

17 THE INTERPRETER: Correction by the 01:31:45

18 interpreter. 01:31:46

19 THE WITNESS: In general, we, our company, 01:31:46

20 or the TV industry and the monitor industry would 01:31:49

21 divide the geographical area into certain regions. 01:31:57

22 So it was going to be easier for me to remember and 01:32:04

23 tell you by those regions because I was used to 01:32:11

24 those divisions. 01:32:17

25 BY MS. WHITEHEAD: 01:32:19

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1 else and did it. 01:49:18

2 Q So when -- when an employee of LGE 01:49:20

3 communicated with one of its suppliers that it would 01:49:26

4 purchase, you know, a particular volume of tubes, 01:49:28

5 was it guaranteeing that it would purchase that 01:49:31

6 number of tubes? 01:49:33

7 MR. TEMKO: Vague and ambiguous. 01:49:59

8 Incomplete hypothetical. Calls for a legal 01:50:01

9 conclusion. 01:50:07

10 THE WITNESS: We did not guarantee. 01:50:10

11 BY MS. WHITEHEAD: 01:50:13

12 Q Were there times when LGE purchased fewer 01:50:13

13 tubes than it had told a supplier it intended to 01:50:16

14 purchase? 01:50:21

15 A Yes, there were. 01:50:35

16 Q In what situations would that happen? 01:50:36

17 A There were cases where the total number of 01:51:03

18 TV monitor production volume was decreased from the 01:51:09

19 number that we had planned at the LG Electronics. 01:51:19

20 Q And were there ever any other reasons that 01:51:24

21 LGE would purchase fewer tubes than it had told a 01:51:26

22 supplier it would purchase? 01:51:31

23 A In case their price competitiveness was 01:52:07

24 worse than the other supplier, because we sometimes 01:52:12

25 gave more volume to the other company that had 01:52:18

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1	better price competitiveness, in that case, certain	01:52:23
2	supplier's volume got decreased.	01:52:29

3	Q Were there any other reasons that LGE would	01:52:34
4	purchase fewer tubes than it had told a supplier it	01:52:36
5	would purchase?	01:52:40

6	A Because you limited your question up to	01:53:13
7	2010, there was another reason. For example, there	01:53:15
8	were cases where a certain supplier reduced their	01:53:22
9	CRT business that in some cases a company would	01:53:27
10	completely give up the CRT business all together	01:53:37
11	that we had to reduce the volume of the CRTs that we	01:53:43
12	purchased than the plan.	01:53:49

13	Q And are there any other reasons you can	01:53:57
14	think of?	01:53:59

15	A No.	01:54:06
----	-------	----------

16	Q When you were in procurement at LGE, LGE	01:54:10
17	was a -- an owner of LPD, correct?	01:54:15

18	MR. TEMKO: Object. No foundation. Calls	01:54:31
19	for a legal conclusion. And vague as to time.	01:54:36

20	THE WITNESS: I knew it was a joint	01:54:53
21	venture, but I did not have a precise understanding	01:54:59
22	as to the relationship with LG Electronics.	01:55:03

23	BY MS. WHITEHEAD:	01:55:07
----	-------------------	----------

24	Q Did LGE procure tubes from LPD differently	01:55:07
25	from the way it procured tubes from other CRT	01:55:12

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		Page 241
1	suppliers?	01:55:16
2	A No.	01:55:26
3	Q Who were LGE's CRT computer monitor	01:55:37
4	customers during the time you were in procurement at	01:55:42
5	LGE?	01:55:45
6	MR. TEMKO: Object. No foundation.	01:56:01
7	THE WITNESS: LG Electronics had its own	01:56:25
8	brand, and I believe it supplied to such companies	01:56:29
9	as Sony or other companies which did OEM method.	01:56:37
10	BY MS. WHITEHEAD:	01:56:45
11	Q Can you think of any other companies who	01:56:46
12	used the OEM method that LGE supplied computer	01:56:50
13	monitors to?	01:56:54
14	A I remember Apple.	01:57:09
15	Q Any others?	01:57:11
16	A I don't recall any more because I wasn't	01:57:19
17	directly involved in the sales.	01:57:21
18	Q Do you know whether LGE supplied computer	01:57:27
19	monitors to Dell?	01:57:30
20	A That I don't know.	01:57:38
21	Q Do you know whether LGE -- strike that.	01:57:41
22	During the time you were in procurement at	01:57:47
23	LGE, who were the TV customers of LGE?	01:57:51
24	MR. TEMKO: Just out of curiosity, do you	01:58:07
25	mean CRT televisions?	01:58:10

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1	MR. TEMKO: Yes, please.	04:47:11
2	BY MS. WHITEHEAD:	04:47:16
3	Q Were you curious why LPD had information	04:47:16
4	about the price increase plans of its competitors?	04:47:20
5	MS. SOLOUKI: Same objection.	04:47:35
6	THE WITNESS: This is what I thought:	04:48:09
7	There was no way to verify whether the LPD's	04:48:18
8	information they were telling me about the	04:48:25
9	competitors' price increase was correct or not. So	04:48:27
10	I thought it was one of the LPD's sales strategy or	04:48:42
11	a way to persuade me of their price increase notice,	04:48:50
12	that they could have been using this as false	04:48:56
13	information.	04:49:11

14	One thing I want to add is that it pertains	04:49:55
15	to my personal position, but because I was working	04:50:01
16	in the procurement of monitor CDT and TV CPT and the	04:50:11
17	LCD module at the same time, that relating to the	04:50:23
18	CRT portion, I was making every effort to lower the	04:50:29
19	cost in terms of the CDT monitors and CPT TVs.	04:50:42

20	In addition to it, if you look at the first	04:51:45
21	email, the date of the first email is October 25th.	04:51:47
22	And later on, Mr. Ahn makes another request, again	04:51:52
23	on January 13th. So that means --	04:51:58
24	MS. WHITEHEAD: November.	04:52:04
25	(Discussion off the record in Korean.)	04:52:14

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		Page 285
1	THE WITNESS: So that means during that	04:52:16
2	20 days, I had been making a lot of effort in order	04:52:20
3	to lower the prices or to respond to the price	04:52:30
4	increase with my own purchasing strategy, even	04:52:37
5	utilizing the Business Planning Team, not only the	04:52:46
6	Purchasing Team, that I was making every effort to	04:52:58
7	lower the CRT prices. So I think you can verify	04:53:04
8	that reading these chain of emails.	04:53:09
9	BY MS. WHITEHEAD:	04:53:21
10	Q Do you recall whether LPD was ultimately	04:53:21
11	successful in getting this price increase that it	04:53:24
12	requested in October of 2007?	04:53:30
13	A I don't recall that exactly.	04:53:48
14	Q But according to the email on	04:53:50
15	November 13th, 2007, LPD still insisted on a price	04:53:53
16	increase, correct?	04:53:58
17	MR. TEMKO: Mischaracterizes the document.	04:54:07
18	THE WITNESS: Yes, that's right. That's	04:54:22
19	why the first email was written by the -- I believe	04:54:24
20	a manager at the LPD's Sales Team, but the last	04:55:08
21	email was from the -- I believe he was the sales	04:55:15
22	director of LPD, and I think that shows how fierce	04:55:22
23	the price negotiation was.	04:55:29
24	BY MS. WHITEHEAD:	04:55:29
25	Q Mr. Ryu, as an employee in purchasing for	04:55:37

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1 CRTs, did you want your suppliers to discuss prices 04:55:40
 2 with their competitors? 04:55:44

3 A Not at all. 04:56:11

4 Q So when you received emails like the one 04:56:12
 5 here in which your suppliers provided information 04:56:14
 6 regarding the price increases of their competitors, 04:56:19
 7 why didn't you ask them how they got that 04:56:23
 8 information? 04:56:25

9 A By "competitors," do you mean SDI and CPT? 04:56:51

10 Q Yes. 04:56:56

11 A As I said earlier, that was because I did 04:57:23
 12 not have sufficient time to pay attention to those 04:57:35
 13 things, because I had too many things to take care 04:57:39
 14 of that I could not pay attention to it. 04:57:42

15 Also, I wasn't interested in whether the 04:58:06
 16 CPT was raising its prices or SDI was raising its 04:58:09
 17 prices. My foremost interest was to lower the CDT 04:58:15
 18 prices that we were purchasing from LPD. 04:58:22

19 So if you look in the middle of the email, 04:58:40
 20 it says: "No profit, no business." This is the 04:58:43
 21 phrase I used in order to pressure LPD so that I 04:58:45
 22 could lower the prices. 04:58:56

23 Q Mr. Ryu, if you did not want your suppliers 04:59:00
 24 to discuss prices with their competitors, why didn't 04:59:05
 25 you ask Mr. Jin Mun Choi how he got the information 04:59:10

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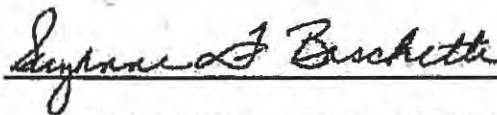
1 I, the undersigned, a Certified Shorthand
2 Reporter of the State of California, do hereby
3 certify:

4 That the foregoing proceedings were taken
5 before me at the time and place herein set forth;
6 that any witnesses in the foregoing proceedings,
7 prior to testifying, were duly sworn; that a record
8 of the proceedings was made by me using machine
9 shorthand which was thereafter transcribed under my
10 direction; that the foregoing transcript is a true
11 record of the testimony given.

12 I further, certify I am neither financially
13 interested in the action nor a relative or employee
14 of any attorney or party to this action.

15 IN WITNESS WHEREOF, I have this date
16 subscribed my name.

17
18 Dated: January 29, 2014.

19
20
21 

22 SUZANNE F. BOSCHETTI

23 CSR No. 5111
24
25

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8 I, DUK CHUL RYU, do hereby declare under
9 penalty of perjury that I have read the foregoing
10 transcript of my deposition; that I have made such
11 corrections as noted herein, in ink, initialed by
12 me, or attached hereto; that my testimony as
13 contained herein, as corrected, is true and correct.

14 EXECUTED this 21 day of February,
15 2014, at Seoul, South Korea.
16 (City) (State)

17
18 
DUK CHUL RYU

Volume II

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SEALED EXHIBIT 8 TO CATHLEEN H. HARTGE
DECLARATION IN SUPPORT OF DEFENDANT LG
ELECTRONIC, INC'S NOTICE OF MOTION AND MOTION
FOR PARTIAL SUMMARY JUDGMENT ON
WITHDRAWAL GROUNDS - Filed Under Seal

EXHIBIT 9
TO HARTGE DECLARATION ISO
LG ELECTRONICS, INC.'S
PARTIAL MSJ ON WITHDRAWAL
GROUNDS

1 BAKER BOTTS L.L.P.
Jon V. Swenson (SBN 233054)
2 1001 Page Mill Road
Building One, Suite 200
3 Palo Alto, CA 94304-1007
Telephone: (650) 739-7500
4 Facsimile: (650) 739-7699
Email: jon.swenson@bakerbotts.com
5

BAKER BOTTS L.L.P.
6 John M. Taladay (*pro hac vice*)
Joseph Ostoyich (*pro hac vice*)
7 Erik T. Koons (*pro hac vice*)
Charles M. Malaise (*pro hac vice*)
8 1299 Pennsylvania Avenue, N.W.
Washington, D.C. 20004-2400
9 Telephone: (202) 639-7700
Facsimile: (202) 639-7890
10 Email: john.taladay@bakerbotts.com
Email: joseph.ostoyich@bakerbotts.com
11 Email: erik.koons@bakerbotts.com
Email: charles.malaise@bakerbotts.com
12

*Attorneys for Defendant Koninklijke Philips N.V., and
Philips Electronics North America Corporation*
13
14

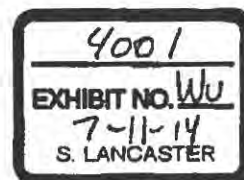
15 UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
16 SAN FRANCISCO DIVISION

17 In re: CATHODE RAY TUBE (CRT)
ANTITRUST LITIGATION
18

Case No. 07-5944 SC
MDL No. 1917

19 This Document Relates to:
20 ALL ACTIONS
21
22
23
24

DECLARATION OF FRANCISCUS
JOHANNES SPAARGAREN



1 I, Franciscus Johannes Spaargaren, being duly sworn, hereby declare and state as follows:

2 1. The statements contained in this declaration are based on my personal knowledge, my
3 review of the books and records of Koninklijke Philips N.V. ("KPNV"), and my consultation with
4 various employees of KPNV, as well as KPNV's subsidiaries, joint ventures, and associates
5 (collectively "Philips"). If called upon, I could and would competently testify to these statements
6 under oath.

7 2. Unless otherwise specified, the statements below relate to May 1998 to June 2004—
8 the time period during which I was employed by Philips.

9
10 **I. Professional Background**

11 3. I received a bachelor's degree in economics from Utrecht University in 1978.

12 4. I received an executive masters of business administration from Henley Management
13 College in the United Kingdom in 1993.

14 5. I am currently retired and live in Oisterwijk, in the Netherlands. I was employed by
15 Philips from May 1998 to June 2004.

16 6. Prior to joining Philips, I served in the internal audit department for Bruna, a Dutch
17 company with approximately 400 bookstores in the Netherlands; served as an assistant controller for
18 Baars Cheese; and served in various corporate capacities for Varta, a German battery manufacturer.

19 7. Since leaving Philips, I have served as the CFO for multiple companies including
20 GemPlus, OTB, Cofely, and Tommy Hilfiger.

21
22 **II. Employment at Philips**

23 8. Philips Display Components ("Philips Components") is a business group within
24 Philips that manufactured and sold components for consumer electronics including cathode ray tubes
25 ("CRTs") for televisions and computer monitors. The Philips Components business group was part
26 of the Product Division Components, at that time one of the six Product Divisions of Philips.

27 9. I joined Philips Components as CFO in May 1998. My official title was executive
28 vice-president and CFO of Philips Components. I worked for Philips Components from May 1998

1 to November 2001.

2 10. During my time at Philips Components, I reported directly to Philips Components'
3 CEO: Mr. Y.C. Lo (May 1998 to January 1999), Mr. Gerard Kleisterlee (January 1999 to August
4 2000), and Mr. Matt Medeiros (August 2000 to November 2001).

5 11. In July 2001, KPNV and LG Electronics, Inc. ("LG") created a joint venture for the
6 manufacture and sale of CRTs known as LG.Philips Displays ("LPD").

7 12. Philips' Joint Venture Office ("JV Office") was created in November 2001 to oversee
8 KPNV's investment in multiple joint ventures including LPD. I was the head of this office from
9 November 2001 until I left Philips in June 2004. My title was executive vice-president of Philips
10 International. I was the sole employee of the JV Office.

11 13. In this position, I first reported to Mr. Arthur Van der Poel, a member of KPNV's
12 board of management. I later reported to Mr. Jan Oosterveld, head of corporate strategy, and finally
13 Mr. Ad Huijser, KPNV's chief technology officer.

14 14. I was never employed by LPD and never received any compensation from LPD.
15

16 **III. The Formation of LPD**

17 15. LPD was officially created in July 2001, as a joint venture between KPNV and LG.
18 The joint venture was governed by a Joint Venture Agreement ("JV Agreement") that was signed by
19 KPNV and LG on June 11, 2001.

20 16. KPNV and LG had begun discussing this potential joint venture in late 1999.

21 17. I was personally involved in the negotiations surrounding the drafting of the Letter of
22 Intent between the joint venture parties in early 2000, which set out key terms of the joint venture.

23 18. As part of these discussions, I was personally involved in working with LG on the
24 valuation of the assets that both shareholders would contribute to LPD and to develop the high-level
25 structure for LPD's governance that LPD's management would implement once LPD became
26 operative.
27
28

1 A. *Reasons That KPNV Wanted to Create the Joint Venture*

2 19. The CRT industry was maturing, meaning that it was showing lower growth rates
3 than in its initial years.

4 20. KPNV believed that the joint venture would better align CRT assets and allow them
5 to monetize their value. The joint venture would create cost advantages and technology advantages
6 in purchasing and production, which would allow it to compete more effectively in the CRT
7 industry.

8 21. KPNV believed that the joint venture was mutually advantageous because of the
9 strengths of Philips and LG in various product and geographic areas.

10
11 B. *Financing/Capitalization*

12 22. LPD was intended to be a self-financing, independent corporate entity.

13 23. At the formation of LPD, LG and Philips contributed assets that the parties valued at
14 approximately \$3.1 billion and \$2 billion, respectively, at the time of LPD's formation.

15 24. Philips contributed assets related to CRTs to LPD.

16 25. LPD was adequately capitalized at its formation, including a \$2 billion loan that LPD
17 obtained from a syndicate of banks.

18 26. LPD's operations were to be funded by the cash flow generated by LPD's sales, as
19 well as the working capital provided by this loan.

20
21 C. *The Joint Venture Agreement*

22 27. The high-level structure of LPD's corporate governance was laid out in the JV
23 Agreement, which established that LPD would be run by the company's management. KPNV and
24 LG would be merely non-controlling shareholders.

25 28. As part of this JV Agreement, the shares of LPD were split equally between KPNV
26 and LPD, except that KPNV received one additional share. This structure, however, in no way gave
27 KPNV influence or control over LPD, and instead was designed solely for the purpose of ensuring
28 that LPD had access to Philips' portfolio of cross-intellectual property licenses.

1 29. The JV Agreement also created and established the responsibilities of LPD's
2 Supervisory Board and Group Management Team.

3 30. I was a member of the Supervisory Board from the creation of LPD through June
4 2004 when I left Philips.

5 31. The Group Management Team consisted of ten LPD officers. These positions were
6 the CEO, CFO, Chief Operating Officer (COO), the Chief Sales Officer, Chief Strategy Officer,
7 Chief Technology Officer (CTO), and four regional managers.

8 32. In September 2002, the Group Management Team was restructured by LPD and
9 became known as the Executive Board. The Executive Board was composed of LPD's CEO, CFO,
10 COO, and Chief Sales Officer. LPD's intent in restructuring the Group Management Team was to
11 allow LPD's management to act more quickly and decisively.

12
13 **IV. LPD Was a Wholly Separate and Independent Company**

14 33. After the creation of LPD in July 2001, LPD was a wholly separate, independent, and
15 fully-operational company.

16 34. LPD maintained its own books and records, which were kept wholly separate from
17 those of KPNV. This included LPD's bank accounts, which were maintained separate from those of
18 KPNV and LG. Philips never consolidated LPD's results with its own.

19 35. LPD's assets were also always kept separate from KPNV's assets and were never
20 commingled. KPNV had no ability to access LPD's cash or capital and LPD had no ability to access
21 KPNV's cash or capital. Nor were any of LPD's assets ever securitized for the benefit of KPNV.

22 36. The members of LPD's Group Management Team/Executive Board were solely
23 officers and employees of LPD, not LPD's shareholders, and were paid by LPD.

24 37. In my understanding, LPD's Group Management Team/Executive Board held regular
25 formal meetings, the minutes of which were recorded.

26
27 **V. KPNV Had No Control Over LPD's Day-to-Day Operations**

28 38. As part of being a wholly separate and fully-operational company, the financial and

1 business affairs of LPD's operational headquarters were run by LPD's Group Management
2 Team/Executive Board, individually and jointly. The operations of LPD's subsidiaries were
3 likewise run by the management of those subsidiaries.

4 39. At no time did KPNV, or any other Philips entity, or LG ever exert any day-to-day
5 management or control over LPD.

6 40. Based on the JV Agreement, both shareholders held approximately 50% of LPD's
7 shares and thus neither could unilaterally make decisions at LPD's general meeting of shareholders,
8 as a two-thirds majority was required to pass shareholder decisions.

9
10 *A. LPD's Supervisory Board*

11 41. The role of the Supervisory Board was to provide high-level strategic advice to
12 LPD's management and aide LPD in determining its business policies and how to implement those
13 policies. This implementation, however, was solely the responsibility of LPD's management.

14 42. The Supervisory Board never made decisions on behalf of LPD; it only approved
15 major decisions planned by LPD's management such as LPD's strategic plans related to investments
16 and restructuring. Further, I do not remember a single instance in which the Supervisory Board
17 vetoed any investments or plans that LPD submitted to the Supervisory Board.

18 43. The Supervisory Board did not run or control the day-to-day operations of LPD.
19 LPD's management had independent autonomy to control LPD's business. The Supervisory Board
20 did not have management responsibilities over the price that LPD charged for CRTs, or the volume
21 of CRTs that LPD produced, or the customers that LPD sold to.

22 44. This structure of a supervisory board giving strategic guidance and a management
23 team that controls the day-to-day operations of a company is typical in the Netherlands.

24 45. The members of the Supervisory Board had a fiduciary duty to LPD. As a member of
25 the Supervisory Board, I took this fiduciary obligation seriously and, in this capacity, never acted in
26 any way contrary to LPD's interests. KPNV never instructed me as a Supervisory Board member to
27 direct LPD on how to run its day-to-day operations.

1 **B. Philips' Joint Venture Office**

2 46. The Philips JV Office was the liaison between Philips and LPD.

3 47. My primary responsibility as head of this office was to keep KPNV informed on the
4 status of its joint ventures, including its investment in LPD. In order to fulfill this responsibility, I
5 analyzed information that the Supervisory Board received from LPD about its operational
6 performance.

7 48. As the only member of the JV Office, I did not manage the day-to-day operations or
8 strategic direction of LPD in any way, nor did I control KPNV's representatives on the Supervisory
9 Board.

10 49. The JV Office did not have any control over the agenda for the Supervisory Board
11 meetings, nor did the JV Office advise LPD on business plans or investments.

12
13 **VI. KPNV and LG Sought to Ensure LPD's Financial Success**

14 50. KPNV and LG always sought to assist LPD in becoming a financially self-sufficient
15 company.

16 51. During LPD's first year, a confluence of market factors—including the dotcom
17 bubble bursting and the tragedy of September 11, 2001—resulted in poor performance across the
18 entire consumer electronics industry, including LPD.

19 52. In response to this performance, upon LPD's request, KPNV and LG worked with the
20 syndicate of private lenders to agree on a capital injection. Thus, in May 2002, KPNV and LG
21 agreed to make a capital injection of \$250 million into LPD. KPNV later made additional capital
22 injections and provided certain guarantees if further injections were necessary. KPNV believed that
23 LPD would be able to use these funds to restructure and continue to be financially self-sufficient.


24 53. KPNV never insisted on receiving any income as a shareholder of LPD and never
25 received a return on its investment.

26 54. KPNV never removed assets from LPD. Nor did it ever withdraw or seek the return
27 of its equity investments in LPD, or divert LPD's funds to its own use.

28 55. All of Philips' transactions with LPD were at arms-length.

1
2 I declare under penalty of perjury under the laws of the United States of America that the
3 foregoing is true and correct.

4 Executed on April 10, 2014 in Oisterwijk, the Netherlands

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Franciscus Johannes Spaargaren